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February 7, 2006

Mike Marshall  
Secretary of the Senate  
Capitol  
Des Moines IA 50319

Margaret Thomson  
Chief Clerk of the House  
Capitol  
Des Moines IA 50319

Dear Mr. Marshall and Ms. Thomson:

Pursuant to Iowa Code 266.39E, enclosed is the annual report on the Beginning Farmer Center at Iowa State University.

If there are any questions concerning this report, please don't hesitate to contact this office.

Sincerely,

Gary W. Steinke

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Enclosure

cc: Caucus Staffs  
Dennis Prouty, LSA  
Dave Fardal, DOM  
Legislative Liaisons  
Legislative Log

## Beginning Farmer Center

*Resources to help our next generation of farmers*

### Objectives

The Beginning Farmer Center (BFC) was established at Iowa State University (ISU) by the 1994 Iowa General Assembly.

Objectives of the Center include:

- coordinating educational programs and services for beginning farmers,
- assessing needs of beginning and retiring farmers to identify opportunities for programs and services, and
- developing statewide programs to educate beginning and retiring farm families.

### Organization

The Center is a joint effort of the ISU College of Agriculture Experiment Station and ISU Extension which delivers the Center's programs and activities.

The ISU Department of Economics provides a director for the Center, and the Center's administrator is the attorney for the Iowa Concern Hotline. A full-time associate and 13 associates throughout the state provide services on an as-needed basis.

### Major Activities

**FarmOn:** The Center provides basic funding and outreach for the FarmOn program, which is designed to facilitate the introduction of exiting farmers to young people who want to get started in agriculture. To provide opportunities for potential participants, BFC hosts one-day workshops about issues related to farm transitions throughout Iowa.

FarmOn's files contain data on 905 potential beginning farmers and 230 landowners. To date, 104 matches have been made. During 2005 there were 347 FarmOn inquiries and 543 calls concerning other agriculture-related issues. The FarmOn calls consisted of 133 calls from beginning farmers, 123 calls from exiting farmers, and 61 general calls. There were five matches facilitated during the year.

The Center works closely with ISU Extension county and field staff to identify the needs of beginning and exiting farmers. The Center develops appropriate educational material and provides instructors for a series of seminars.

**Ag Link** is a four-day seminar for college juniors and seniors who plan to join their family farm operation after graduation. Family members and others in the operation also attend the seminar. Topics include conflict resolution, goal setting, determining values, business analysis, farm planning, and management. The 2005 seminars were attended by 89 people representing 24 families and the students. Eleven students have registered for two hours of independent study credit. The seminars also were attended by faculty from the University of Nebraska who are interested in replicating the Ag Link seminar program in their state. The Center also provided guidance to University of Wisconsin in the replication of the Ag Link seminars by that institution.

The Center sponsored a one day AgLink seminar at Kirkwood Community College. This was part of the Center's continuing efforts to work with the community colleges.

**Individual farm analysis:** The Center provides individual analysis of existing farm situations. During 2005 there were 10 farm visits reaching nearly 42 individuals.

**Beginning Farmer Network:** The Center provides the faculty advisor for an ISU student organization, the Beginning Farmer Network. Members of this group are interested in entering farming.

**Conferences:** The Center's administrator and the director spoke at numerous conferences nationally and internationally. Presentations were made to commodity groups, lawyers, farmers, government officials and others interested in beginning and retiring farmer issues.

The Center has helped cosponsor several conferences. We are also working with the Beginning Farmer Network to develop a conference for early 2006. The Center is hosting the 2006 National Farm Transition Network annual conference.

**BFC on the World Wide Web:** The Center maintained and upgraded its web site in 2005. From this site, potential clients have access to selected publications and application forms for the FarmOn program. The Center also maintains a site for the National Farm Transition Network.

**Research activities:** During 2005 the Center continued its ongoing work on farm succession planning. This includes a joint project with the University of Tennessee that examines the impact of alternative farm definitions.

In 2005 the Center completed a three-phase research project that was a joint effort with ISU Extension and the Leopold Center for Sustainable Agriculture. This project resulted in a change for the Center's web site and presentation. New educational materials were developed. And there are fact sheets being developed. All of this activity was a result of the project.

The Center has begun research on farmer's attitudes regarding retirement. The research is qualitative and is a series of interviews of farmers. Those interviewed have been selected from the major types of farm operations including dairy, beef, commodity and swine.

Another project was working with a consortium of producer groups examining a proposal to offer tax relief for exiting farmers who help beginning farmers. This project has been recommended by the Center for a number of years. It was part of proposed legislation this year but it was vetoed due to unrelated technicalities. It will be proposed again this session.

**Regional and national activities:** The Center's director and administrator made presentations on the BFC at midwestern, national and international events. The administrator is the president of the National Farm Transition Network, a network of various state, university, and private organizations that helps beginning farmers. This network allows groups to share ideas and materials, and avoid duplication of efforts.

The Center has become a source of information for many different groups around the country. Center materials were provided to the U.S. Department of Agriculture for the Farm Futures Report. Materials also have been given to many different states through the National Farm Transition Network.

### Leveraging the Advantages

The FarmOn program and the Beginning Farmer Center are among the first in the nation to address the critical issue of future caretakers of farmland and successful ways to transfer operations to succeeding generations.

The BFC works closely with the Drake University Agricultural Law Center by providing speakers and materials. The Center also employs law students part-time as back-up for the Center's administrator and these activities serve as credit internships for the students. The Center works in conjunction with ISU Extension field staff to offer materials, speakers, and financial support for programs to help beginning and exiting farmers. The BFC also provides speakers and materials for the Iowa Bar Association and works closely on program efforts within several ISU academic departments.

### Future Activities

The current financial situation in agriculture makes long-term planning especially critical. The Center continues to encourage farmers to realistically assess their options and alternatives. educational materials on Value-added agriculture and local food systems are being developed.

The Center is working on updating a series of publications for beginning and exiting farmers. These publications will examine production and marketing alternatives as well as whole farm analysis. In addition there will be a series of fact sheets developed to help explain legal options for beginning and exiting farmers. These would include discussion of buy/sell agreements, estate planning, and using long term leases just to name a few.

The Center will continue funding and support for the FarmOn and Ag Link programs. It also will continue to support the individual farm financial analysis for beginning farmers through ISU Extension's Farm Financial Planning Program.

The Center continues using the data obtained from the farm succession, small business surveys, and other research to develop a series of agricultural policy recommendations and educational materials. In addition we plan to resurvey the original respondents to ascertain any changes in attitudes.

The Center will continue looking at how to understand and increase the motivation for farmers to pass on an operation to another person as a unit rather than in pieces. Research also is needed to develop and analyze alternative business strategies for both beginning and retiring farmers.

## Recommendations

The current farm bill expires in 2007. Debate has already begun on the next bill. The Center has been active in promoting programs and opportunities to help beginning and exiting farmers at the federal level.

Iowa must continue and increase its support for beginning farmers and those wishing to transition farmland to a young owner. Hopefully, the tax relief proposal for retiring farmers will be presented as a bill and be seriously considered by the state's lawmakers.

For more information, contact Michael D. Duffy, professor-in-charge, ISU Department of Economics, (515) 294-6160; or John Baker, BFC administrator, at (toll-free) 1-800-447-1985. The Beginning Farmer Center web site can be found at

[www.extension.iastate.edu/bfc](http://www.extension.iastate.edu/bfc)

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